

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7192**

**BILL NUMBER: SB 289**

**NOTE PREPARED: Jan 2, 2011**

**BILL AMENDED:**

**SUBJECT:** State Purchasing Preferences.

**FIRST AUTHOR:** Sen. Tomes

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill establishes a 15% price preference for purchases by the state from American businesses. It changes the price preference for purchases by the state from Indiana businesses from a declining percentage scale based on cost to a constant: (1) 15% with respect to a business that is not an Indiana business but is an American business; and (2) 30% with respect to a business that is neither an Indiana business nor an American business.

**Effective Date:** July 1, 2011.

**Explanation of State Expenditures:** *Summary* - This bill may increase the purchase price of supplies by establishing a 30% price preference for Indiana businesses over businesses that are neither Indiana or American businesses, and a 15% price preference for businesses that are not Indiana businesses, but are American businesses. The Indiana Department of Administration will have to develop criteria for making these determinations.

**Background Information** - Currently, there is a price preference given for supplies purchased from an Indiana business, ranging from 1% to 5% based on the expected purchase dollar amount. The price preference does not apply if only Indiana businesses respond with offers, or when the offeror is a business located in another state that has preferences which do not exceed Indiana's.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Indiana Department of Administration; Indiana Economic Development Corporation.

**Local Agencies Affected:**

**Information Sources:**

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.